

## Current/Former Spouse's Notification of Application for Refund of Retirement Deductions Under the Federal Employees Retirement System

If you apply for a refund of retirement deductions, you must notify your current spouse. Also, you must notify any **former** spouse if the following conditions apply: (1) *You have 18 months of creditable civilian service;* and (2) *You were married to the former spouse for at least 9 months.* Refer to the information and instructions given on the other side of this form.

### Part 1 - To Be Completed By Applicant

**Instructions:** To notify each current or former spouse of your application for a refund of your retirement deductions, complete Part 1 with **your** name, date of birth and Social Security Number and have the current or former spouse complete Part 2. The current or former spouse's signature must be witnessed in Part 3. You may not be a witness. After Parts 2 and 3 have been completed, the form must be returned to your for attachment to your refund application. (*Use a separate form for current spouse and each former spouse.*)

Name ( <i>last, first, middle</i> )	Date of birth ( <i>mo./ day/ yr.</i> )	Social Security Number
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### Part 2 - To Be Completed by Current or Former Spouse

**Instructions:** Complete Part 2 and have two witnesses complete Part 3 and then return the form to the applicant. Payment of the refund of retirement deductions will end any entitlement you may have to a survivor annuity or portion of any annuity to which the applicant would otherwise have been entitled. If a court order expressly relates to the applicant's retirement deductions and you believe that payment of the refund would end a court-ordered entitlement you have a survivor annuity or to a portion of an annuity to which the above-named person is entitled, see the information provided below regarding such court orders. (Complete Part 2 and have the witnesses complete Part 3 even if you are submitting a court order.)

I have read the paragraph above and I understand that the above-named individual is applying for a refund of retirement deductions under the Federal Employees Retirement System.	Signature ( <i>do not print</i> )	
	Name ( <i>type or print legibly</i> )	Date signed ( <i>mo./day/yr.</i> )

### Part 3 - To Be Completed by Witnesses

We, the undersigned, certify that Part 2 of this form was signed by the current or former spouse of the person named in Part 1 in our presence.

Signature	Date signed ( <i>mo./day/yr.</i> )	Signature	Date signed ( <i>mo./day/yr.</i> )
Name of witness ( <i>type or print legibly</i> )		Name of witness ( <i>type or print legibly</i> )	
Address ( <i>number and street</i> )		Address ( <i>number and street</i> )	
City, state and ZIP code		City, state and ZIP code	

### Information About Sending Court Orders to the Office of Personnel Management (OPM)

If you are legally separated or divorced from the applicant, you should know that a refund would end your potential entitlement to a survivor annuity and to any portion of any annuity to which the applicant would be entitled. If you have a court order that expressly relates to any portion of the applicant's retirement deductions, **you should send a copy of the court order to OPM with a cover letter giving:**

1. the name, date of birth, and Social Security Number of the person applying for the refund;
2. Your statement that the court order has not been amended, superseded, or set aside.
3. Your name, date of birth, and mailing address; and
4. If the court order states that any payments to you are subject to termination upon your remarriage, a statement that either (1) you have remarried and the date of the remarriage, or (2) that you have not remarried and that you will notify OPM within 15 days of a remarriage should you remarry in the future.

If the court order gives you a **survivor annuity after the death of the applicant**, also attach a copy of your birth certificate, if available.

The court order can be honored only if it is received before the refund is paid to the applicant. Payment of the refund will end any entitlement you may have to a survivor annuity or a portion of any annuity to which the applicant would otherwise have been entitled. Payment of the refund will also end any eligibility you have to coverage under the Federal Employees Health Benefits Program. Send a copy of the court order and your cover letter to the following address and complete the blocks below:

Office of Personnel Management  
Federal Employees Retirement System  
Retirement Operations Center  
Attn: FERS Refunds  
P.O. Box 200  
Boyers, PA 16017

**NOTE:** A former spouse who remarries before reaching age 55 is not entitled to a survivor annuity. (Termination of the remarriage does not restore a former spouse's entitlement to a survivor annuity). Remarriage does not affect a former spouse's court-ordered right to receive a portion of any annuity during the annuitant's lifetime, unless the court order provides otherwise. A former spouse may also lose entitlement according to the court order..

I believe I have a court order that meets the criteria described above. I am **immediately** submitting a copy of the court order and the required cover letter to the address provided above.

Signature ( <i>do not print</i> )	Date of court order ( <i>mo./day/yr.</i> )	Today's date ( <i>mo./day/yr.</i> )
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## Notification To Current and Former Spouses of Your Refund Application

The Federal Employees Retirement law provides that your retirement contributions may be refunded to you only if you notify the following persons that you are applying for a refund:

- any current spouse (including any person from whom you are legally separated) and
- any former spouse who is still living.

You are not required to notify a former spouse if you were not married to that person for a total of at least 9 months or you do not have a total of at least 18 months of creditable civilian service.

You should provide a copy of Standard Form 3106A, Current/Former Spouse's Notification of Application for Refund of Retirement Deductions (this form, front and back), to (1) your current spouse, if any, and (2) if you have at least 18 months of creditable civilian service, each former spouse that meets the above criteria. The current and/or former spouse(s) must sign the form and have the signature witnessed by two persons. You cannot be one of the witnesses. Additional copies of the SF 3106A should be available from your employing office or you can photocopy both sides of the form for each spouse/former spouse.

In addition, the law provides that payment of your refund is subject to the terms of any court order (related to a divorce or legal separation) that expressly relates to any portion of your refund, if the payment of the refund would end the entitlement of a spouse or former spouse to a survivor annuity or a portion of your annuity. A court order cannot bar payment of a refund if you do not have a future annuity entitlement under the Federal Employees Retirement System.

Attach all signed and witnessed notification forms to your refund application.

If your current or former spouse refuses to acknowledge the notification or you are otherwise unable to obtain the acknowledgment, you must submit one of the following:

1. Affidavits signed by two individuals who witnessed our attempt to personally notify the current or former spouse. The witnesses must attest that they saw you give or try to give (personally) the notification form to your current or former spouse to whom your purpose should have been clear.

- or* 2. The current mailing address of the current or former spouse. (You may use the box at the end of this column to give the address.) OPM will attempt to notify (by certified mail return receipt requested) the current or former spouse at the address you give. OPM will not pay you the refund until we receive the signed return receipt. If the notice is undeliverable at the address you give, your refund may not be paid unless you subsequently show that the notification requirement should be waived as described below. If you decide you want OPM to make notification, it will cause a 6- to 8-week delay in the payment of your refund.

If you do not know the current whereabouts of a spouse or former spouse, the Office of Personnel Management may waive the requirement to notify that person. A waiver may be granted if you submit with your refund application:

1. A determination by a court or administrative agency empowered to make such determinations that the person is missing; *or*
2. Notarized statements from yourself and two other persons (one of whom is unrelated to you) stating that the person's whereabouts are unknown and detailing efforts to locate the

I have been unable to notify the following current or former spouse. (Enter name and current mailing address, including ZIP code, of the current or former spouse.)

### Privacy Act Statement

Public Law 99-335, which established current and former spouse notification requirements, authorizes solicitation of this information. This information may be shared with national, state, local, or other charitable or social security administrative agencies to determine and issue benefits under their programs or when they are investigating a violation or potential violation of the civil or criminal law. Public Law 104-134 (April 26, 1996) requires that any person doing business with the Federal government furnish a Social Security Number or tax identification number. This is an amendment to title 31, Section 7701. Failure to furnish the requested information may result in our inability to refund the retirement deductions.

### Public Burden Statement

We think this form takes an average of 6 minutes to complete including the time for getting the needed data and reviewing both the instructions and completed form. Send comments regarding our estimate or any other aspect of this form, including suggestions for reducing completion time, to the Office of Personnel Management (OPM), Reports and Forms Manager, Paperwork Reduction Project (3206-0170), Washington, DC 20415. The OMB Number, 3206-0170 is currently valid. OPM may not collect this information, and you are not required to respond, unless this number is displayed.

## Special Tax Notice Regarding Rollovers

This notice contains important Federal income tax and other information you will need before you decide how to receive your lump sum payment from the Federal Employees Retirement System (FERS). To be of service to our customers, the Office of Personnel Management has worked with the Internal Revenue Service to present a general explanation of how Public Law 102-318 affects those who receive our benefits. However, the IRS remains the authority on tax matters and questions. Requests for additional or clarifying information should be directed to them. The official tax publications which govern how benefits are taxed are referenced at the end of this notice. OPM does not stock IRS publications. We cannot provide official tax information nor can we advise individuals on tax matters. The following discussion applies to the taxable portion of your lump sum payment.

### Summary

The interest portion of your refund payment from OPM is taxable and is eligible for "rollover." You can have all or any part of your interest payment either 1) paid in a "direct rollover" or 2) paid directly to you. A rollover is a payment of the taxable portion of your FERS benefit to your individual retirement arrangement (IRA) or to another employer retirement plan. This choice will affect the tax you owe.

If you choose a direct rollover of the interest -

- Your interest will not be taxable income in the year it is paid, and no income tax will be withheld.
- Your interest payment will be made directly to your IRA, or, if you choose, to another employer retirement plan that accepts your rollover.
- Your interest payment will be taxable income later when you take it out of the IRA or the employer retirement plan.

If you choose to have the interest paid to you -

- You will receive only 80% of the interest, because OPM is required to withhold 20% of the payment and send it to the Internal Revenue Service as income tax withholding to be credited against your taxes.
- Your interest will be taxed in the year it is paid unless you roll it over. You may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59-1/2, you also may have to pay an additional 10% tax.
- You can roll over the interest by paying it to your IRA or to another employer retirement plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the IRA or employer retirement plan.

If you want to roll over 100% of the interest to an IRA or an employer retirement plan, you must find other money to replace the 20% that was withheld. We cannot refund the 20% once it has been withheld. If you roll over only the 80% you receive, you will be taxed on the 20% that was withheld and not rolled over.

### More Information

#### I. Payments That Can and Cannot Be Rolled Over

Certain payments from OPM are "eligible rollover distributions." This means they can be rolled over to an IRA or to another employer retirement plan that accepts rollovers. In general, only the "taxable portion" of your payment is an eligible rollover distribution. The following types of payments cannot be rolled over:

**Non-taxable Payments.** In general, the non-taxable portion of your payment is not an eligible rollover distribution. Your retirement contributions are non-taxable when they are paid to you and cannot be rolled over.

**Required Minimum Payments.** Beginning in the year you reach age 70-1/2, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you. You must compute and exclude this amount from a direct rollover if you will be age 70-1/2 or older when the payment is made.

#### II. Direct Rollover:

You can choose a direct rollover of all or any portion of the interest portion of your refund. In a direct rollover, the eligible rollover distribution is paid directly from OPM to an IRA or another employer retirement plan that accepts rollovers (or is sent to you in a check made payable to the IRA or other retirement plan). If you choose a direct rollover, you are not taxed on the payment until you later take it out of the IRA or the employer retirement plan.

OPM will not pay a direct rollover or withhold tax on taxable payments under \$200, but recipients themselves may roll over such payments tax free within 60 days after receipt. The minimum direct rollover amount is \$500 if you designate part of your payment as a direct rollover with the remainder payable to you. OPM will pay a direct roll-over to only one IRA or retirement plan at any one time.

**Direct Rollover to an IRA.** You can open an IRA to receive the direct rollover (The term "IRA," as used in this notice, includes individual retirement accounts and individual retirement annuities.) If you choose to have your payment made directly to an IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to an IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish an IRA to receive the payment. However, in choosing an IRA, you may wish to consider whether the IRA you choose will allow you to move all or part of your payment to another IRA at a later date, without penalties or other limitations. See Publication 90, *Individual Retirement Arrangements* for more information on IRAs (including limitations on how often you can rollover between IRAs).

**Direct Rollover to an Employer Retirement Plan.** If you are employed by a new employer that has a retirement plan and you want a direct rollover to that plan, ask the administrator of that plan whether it will accept your rollover. An employer retirement plan is not legally required to accept a rollover. If your new employer's retirement plan does not accept a rollover, you can choose a direct rollover to an IRA.

#### III. Payment Paid to You

If you have the interest payment made to you, it is subject to 20% Federal income tax withholding. The payment is taxed in the year you receive it unless, within 60 days after receiving it, you roll it over to an IRA or another plan that accepts rollovers. If you do not roll it over, special tax rules apply.

**Mandatory Federal Income Tax Withholding.** If you receive interest, OPM is required by law to withhold 20% of that amount. This amount is sent to the IRA as income tax withholding. For example, if your interest payment is \$3000, only \$2400 will be paid to you because OPM must withhold \$600 as income tax. However, when you prepare your income tax return for the year, you will report the full \$3000 as interest on your refund. You will report the \$600 as tax withheld, and it will be credited against any income tax you owe for the year.

**Sixty-Day Rollover Option.** You can still decide to roll over all or part of the interest payment to an IRA or another employer retirement plan that accepts rollovers within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the IRA or the employer retirement plan.

You can roll over up to 100% of the interest payment, including an amount equal to the 20% that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the IRA or the employer retirement plan to replace the 20% that was withheld. On the other hand, if you roll over only the 80% that you received, you will be taxed on the 20% that was withheld.

**Example:** If your interest payment is \$3000, and you choose to have it paid to you, you will receive \$2400 and \$600 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$2400, you may roll over the entire \$3000 to an IRA or employer retirement plan. To do this, you roll over the \$2400 you received from OPM, and you will have to find \$600 from other sources (your refund, savings, a loan, etc.). In this case, the entire \$3000 is not taxed until you take it out of the IRA or employer retirement plan. If you roll over the entire \$3000, when you file our income tax return you may get a refund of the \$600 withheld. If, on the other hand, you roll over only \$2400, the \$600 you did not roll over is taxed in

the year it was withheld. When you file your income tax return, you may get a refund of part of the \$600 withheld. (However, any tax refund is likely to be larger if you roll over the entire \$3000).

**Additional 10% Tax If You Are Under Age 59-1/2.** If you receive a payment before you reach age 59-1/2 and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the interest payment. The additional 10% tax does not apply to your payment if it is (1) paid to you because you separate from service with your employer during or after the year you reach age 55, (2) paid because you retire due to disability (as determined by IRS), (3) paid to you as equal (or almost equal) payments over your life or life expectancy (or you and your beneficiary's lives or life expectancies), (4) used to pay certain medical expenses. See IRS Form 5329, Return for Additional Taxes..., for more information on the additional 10% tax.

### **How To Obtain Additional Information**

This notice summarizes only the Federal (not State or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with a professional tax advisor before you take a payment of your refund from OPM. Also, you can find more specific information on the tax treatment of payments from qualified retirement plans in IRS Publication 575, *Pension and Annuity Income*, IRS Publication 590, *Individual Retirement Arrangements*, and IRS Publication 721, *Tax Guide to U.S. Civil Service Retirement Benefits*. These publications are available from your local IRS office or by calling 1-800-TAX FORMS.

SAMPLE ONLY